

UNITED STATES DISTRICT COURT  
SOUTHERN DISTRICT OF FLORIDA

CASE NO. 23-cv-20727-ALTMAN

RYAN BRESLOW, *et al.*,

*Plaintiffs,*

v.

MARK PHILLIPS, *et al.*,

*Defendants.*

/

**DECLARATION OF NICOLAS BAX**

I, Nicolas Bax, make the following declaration based on my personal knowledge:

1. My name is Nick Bax. I am over the age of 18, competent to testify, and have personal knowledge of the matters stated herein.
2. I am a resident of Brookline, Massachusetts.
3. I am the co-founder and Head of Research of Convex Labs. Convex Labs is a blockchain intelligence company which specializes in identifying illicit activity and emerging threats in digital assets. Convex Labs's offerings include blockchain forensics, crypto asset due diligence, trade surveillance, money laundering tracing, and digital asset theft detection.
4. In my capacity as Head of Research for Convex Labs, I conduct crypto-tracing consulting, analysis, and research. I specialize in tracing "anonymity-enhanced cryptocurrencies" and analyzing cases of cryptocurrency fraud.

5. I have been retained by Plaintiffs in this case to conduct a tracing analysis of transactions made from the DAO endowment<sup>1</sup> and DAO Developer<sup>2</sup> accounts in February 2023.

6. In the course of my tracing investigation on behalf of Plaintiffs, I examined the voting tables presented on several of the MovementDAO's proposals on Snapshot.org.

7. The tables suggest that votes were cast with a voting element described as "MOVE."

8. Using transaction records from etherscan.io, I reviewed a sample of the cryptocurrency wallets associated with the cryptocurrency addresses that voted on certain MovementDAO proposals on Snapshot.org. None of the accounts in my sample contained any ERC-20 tokens that are MOVE tokens.

9. For example, the wallet 0x4e33Ac0C5F929A0De68338f534e6DD3b2e44a525 voted on MIP-0014, MIP-0015, MIP-0016, MIP-0017, MIP-0018, MIP-0019, MIP-0020, and MIP-0021. Dkt. No. 24-1, Exhibits 18–20, 23–27. For each of these proposals, the voting table shows this wallet used 101K MOVE voting units to vote in favor of each proposal. A review of this wallet using etherscan.io reveals that it possesses zero ERC-20 tokens, including zero MOVE tokens. A true and accurate copy of this wallet's etherscan.io transaction history showing no ERC-20 tokens in the wallet is attached as Exhibit A.

10. Similarly, the wallet 0x2770736960c4739f96d3a033676ff0e34e71fC63 voted on MIP-0014, MIP-0015, MIP-0016, MIP-0017, MIP-0018, MIP-0019, MIP-0020, and MIP-0021. Dkt. No. 24-1, Exhibits 18–20, 23–27. For each of these proposals, the voting table shows this wallet used 200K MOVE voting units to vote in favor of the proposal. A review of this wallet

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<sup>1</sup> 0x143cC0A996De329C1C5723Ee4F15D2a40c1203c6

<sup>2</sup> 0x2187e6a7c765777d50213346F0Fe519fCA706fbD

using etherscan.io reveals that this wallet possesses zero ERC-20 tokens, including zero MOVE tokens. A true and accurate copy of this wallet's etherscan.io transaction history is attached as Exhibit B.

11. The wallet 0x91898f9103cDBA1546DE834F6E26f019E09A0d4B voted on MIP-0014 and MIP-0015. Dkt. No. 24-1, Exhibits 18 & 19. For each of these proposals, the voting table shows this wallet used 100K MOVE voting units to vote in favor of the proposal. A review of this wallet using etherscan.io reveals that this wallet possesses no ERC-20 tokens that are MOVE tokens. A true and accurate copy of this wallet's etherscan.io transaction history is attached as Exhibit C.

12. From my review, it appears that the voting elements described as "MOVE" on Movement DAO's snapshot proposals are not MOVE tokens.

13. I reviewed the voting table for MIP-0000. Dkt. No. 24-1, Exhibit 5. The wallet identified as "service-provider.eth" accounted for 99.8% of the votes cast for that proposal.

14. As part of my tracing analysis, I compared the accounting I prepared during the course of my tracing analysis of the DAO endowment account transfers from February 2022 with the accounting provided by the declarations of Defendants Phillips and Reed. Dkt. Nos. 43-8 ¶¶ 16, 17 and 43-9 ¶ 67. Below is a table showing a comparison between my accounting and the accounting offered by Defendants Phillips and Reed.

PLAINTIFF'S ACCOUNTING (Mot. at 10-12; Dkt. No. 35-3 ¶ 7)				DEFENDANTS' ACCOUNTING (Dkt. No. 43-8 ¶¶ 16, 17; Dkt. No. 43-9 ¶ 67)		
RECIPIENT	VALUE	CURR	Notes	VALUE	CURR	RECIPIENT
0x91...0d4b	100,000	DAI	Phillips controlled	100,000	DAI	disintermediated.eth
0x57...0d37	20,000	DAI	cookieslayer.eth	20,000	DAI	cookieslayer.eth
0x91...0d4b	100,000	DAI	Phillips controlled	Unaccounted for		
0x57...0d37	15,000	DAI	cookieslayer.eth	15,000	DAI	cookieslayer.eth
0xa4...931c	592,000	DAI	benreed.eth (Reed)	592,000	DAI	Ben Reed
0xa4...931c	250,000	DAI	benreed.eth (Reed)	250,000	DAI	Ben Reed
0x60...3b4a	500,000	DAI	Phillips controlled	500,000	DAI	Mark Phillips
0x55...d510	39.53	ETH	Phillips controlled	Unaccounted for		
0x5d...d27e	1,058,000	DAI	tankbottoms.eth (Phillips)	1,058,000	DAI	Mark Phillips
0xa4...6931	322,034.67	DAI	benreed.eth (Reed)	322,034.67	DAI	disintermediated.eth
0x48...02a6	50,000	DAI	sveltedev.eth	50,000	DAI	Sameer T
0x75...0085	10	ETH	*service-provider.eth (Phillips)	Unaccounted for		
0x50...de38	18.49	ETH	Unknown	Unaccounted for		
0xe4...9033	13.39	ETH	jimmyethworld.eth	13.39	ETH	Jon Gordon
0x75...0085	3,877.50	DAI	*service-provider.eth (Phillips)	Unaccounted for		
0x82...adad	10,000	DAI	jango.eth	Unaccounted for		
0x30...ab39	12,000	DAI	filipv.eth	Unaccounted for		
0xa4...931c	250,000	DAI	benreed.eth (Reed)	Unaccounted for		
				26.14	ETH	Mark Phillips
Total:				Total:		
3,282,912 DAI				2,907,035 DAI		
81.41 ETH				39.53 ETH		

15. Based on this comparison, it appears that Defendants' accounting does not account for over \$375,000 DAI and 41.88 ETH, despite \$350,000 DAI and 39.53 ETH of the unaccounted for amounts going into the accounts of Defendant Phillips and Reed.

Pursuant to 28 U.S.C. § 1746, I declare under penalty of perjury that the foregoing is true and correct.

Executed on this 23 day of March 2023.

DocuSigned by:  
  
 55C21695C8C245B...  
 Nicolas Bax

**CERTIFICATE OF SERVICE**

I hereby certify that a true and correct copy of the foregoing document was served by the Court's CM/ECF system on March 23, 2023 on all counsel of record.

/s/ Jamie L. Katz  
Jamie L. Katz

# Exhibit A

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## Overview

ETH BALANCE

◆ 0.07473897 ETH

ETH VALUE

\$130.35 (@ \$1,744.10/ETH)

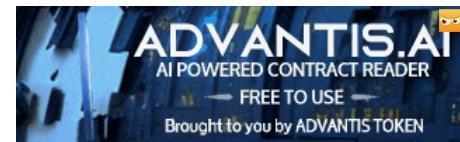
## More Info

PRIVATE NAME TAGS

[+ Add](#)

NO TXNS SENT FROM THIS ADDRESS

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?	Txn Hash	Age	From	To	Value	Token
 There are no matching entries Please try again later						

 A wallet address is a publicly available address that allows its owner to receive funds from another party. To access the funds in an address, you must have its private key. Learn more about addresses in our [Knowledge Base](#).

# **Exhibit B**

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## Overview

## ETH BALANCE

◆ 0.001152340424138046 ETH

## ETH VALUE

\$2.01 (@ \$1,743.83/ETH)

## TOKEN HOLDINGS

\$0.00 (2 Tokens)



## More Info

## PRIVATE NAME TAGS

[+ Add](#)

## LAST TXN SENT

0x212b1670ebfbe... from 402 days 20 hrs ago

## FIRST TXN SENT

0x212b1670ebfbe... from 402 days 20 hrs ago

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<a href="#">?</a>	Txn Hash	Age	From	To	Value	Token
 There are no matching entries Please try again later						

 A wallet address is a publicly available address that allows its owner to receive funds from another party. To access the funds in an address, you must have its private key. Learn more about addresses in our [Knowledge Base](#).

# Exhibit C

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## Overview

ETH BALANCE

0 ETH

ETH VALUE

\$0.00

TOKEN HOLDINGS

\$200,800.00 (2 Tokens)



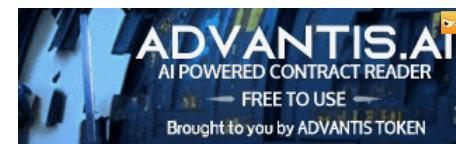
## More Info

PRIVATE NAME TAGS

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NO TXNS SENT FROM THIS ADDRESS

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## Latest 3 ERC-20 Token Transfer Events

②	Txn Hash	Age	From	To	Value	Token
②	<a href="#">0x08673873e752e187...</a>	46 days 3 hrs ago	<a href="#">Uniswap Protocol: UNI ...</a>	<a href="#">0x91898f...E09A0d4B</a>	800	ERC-20: twe....ap)
②	<a href="#">0x4b7dcb8eb3e393d1...</a>	48 days 14 hrs ago	<a href="#">0x2187e6...CA706fbD</a>	<a href="#">0x91898f...E09A0d4B</a>	100,000	Dai Stableco... (DAI)
②	<a href="#">0x135ad3491ad6cdb0...</a>	48 days 14 hrs ago	<a href="#">0x2187e6...CA706fbD</a>	<a href="#">0x91898f...E09A0d4B</a>	100,000	Dai Stableco... (DAI)

[ Download: [CSV Export](#) ] A wallet address is a publicly available address that allows its owner to receive funds from another party. To access the funds in an address, you must have its private key. Learn more about addresses in our [Knowledge Base](#).